

Message Text

UNCLASSIFIED

PAGE 01 TEGUCI 01876 222252 Z

12

ACTION ARA-17

INFO OCT-01 ADP-00 AGR-20 EB-11 COME-00 TRSE-00 OMB-01

AID-20 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03 RSC-01

USIA-12 PRS-01 RSR-01 /098 W
----- 003926

R 222150 Z MAY 73

FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 4399
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR

UNCLAS TEGUCIGALPA 1876

E. O. 11652: N/ A

TAGS: EAGR HO

SUBJ: MESSAGE NO 6 EFFECTS OF DROUGHT ON HONDURAN
ECONOMY

REF: TEGUCIGALPA 1296

GUATEMALA FOR ROCAP AND FOR AGATT

1. SUMMARY: PRODUCTION OF BASIC FOOD GRAINS HAS
UNDOUBTEDLY BEEN AFFECTED MORE THAN OTHER CROPS. LIVESTOCK
PRODUCTION (CATTLE) HAS ALSO BEEN CURTAILED ALTHOUGH
EFFECTS WILL NOT BE FELT AS RAPIDLY. END SUMMARY.

2. INSUFFICIENT DATA AVAILABLE TO REACH MEANINGFUL OVERALL
ASSESSMENT OF DROUGHT DAMAGE. CERTAIN PARAMETERS, HOWEVER,
CAN BE USED TO DEMONSTRATE GRAVITY OF SITUATION.

3. REGARDING BEANS, BEST DATA AVAILABLE INDICATE
PRODUCTION AT 700,000 C. W. T. DURING 1972-73 CROP YEAR
(MAY 1, 1972 - APRIL 30, 1973), A REDUCTION OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEGUCI 01876 222252 Z

APPROXIMATELY 40 PERCENT FROM PREVIOUS YEAR WHICH ALSO BELOW EXPECTATIONS. EARLIER PROJECTIONS, BASED ON HISTORICAL TRENDS, PREDICTED 1972-73 SEASON BEAN PRODUCTION TO BE ABOUT 1.1 MILLION C. W. T. INTERNAL DEMAND FOR BEANS ESTIMATED AT APPROXIMATELY 800,000 C. W. T. FOR SAME PERIOD. AS OF MAY 1973 NATIONAL DEVELOPMENT BANK (BNF) HAD 35,000 C. W. T. IN STORAGE. BASED ON DOMESTIC UTILIZATION RATE, THIS REPRESENTS ONLY A 20 DAY SUPPLY. THE SAME QUANTITY WOULD SUPPLY URBAN POPULATION OF TEGUCIGALPA AND SAN PEDRO SULA FOR 4 TO 5 MONTHS ONLY. WHAT IS NOT KNOWN IS QUANTITY OF BEANS IN PRIVATE AND ON- FARM STORAGE. KNOWLEDGEABLE PERSONS ESTIMATE THE QUANTITY TO BE LOW DUE TO THE SHORT POSTRERA (LATE PLANTING) HARVEST AND THE RAPID DETERIORATION OF BEANS UNDER POOR STORAGE CONDITIONS. ANOTHER STRONG INDICATOR OF SHORT SUPPLY IN PRIVATE STORAGE IS FACT THAT RETAIL AND WHOLESALE PRICE OF BEANS HAVE INCREASED BY APPROXIMATELY 100 PERCENT OVER THE PAST YEAR WITH MAJOR INCREASES OCCURRING OVER PAST FOUR MONTHS. THE PRIMARY HARVEST SEASON FOR BEANS DOES NOT OCCUR UNTIL DECEMBER- JANUARY WHICH WILL WORSEN SITUATION EVEN FURTHER.

4. REGARDING CORN, SITUATION DOES NOT APPEAR TO BE NEARLY AS SERIOUS, EVEN THOUGH 1972-73 PRODUCTION IS ESTIMATED AT ONLY 6.3 MILLIONS C. W. T. AGAINST DOMESTIC CONSUMPTION OF APPROXIMATELY 7 MILLION C. W. T. ALTHOUGH THE BNF HAS ONLY APPROXIMATELY 320,000 C. W. T. IN STORAGE - A QUANTITY SUFFICIENT FOR ONLY APPROXIMATELY 20 DAYS BASED ON NATIONAL CONSUMPTION LEVEL - MOST KNOWLEDGEABLE AUTHORITIES ARE OF OPINION THAT SIGNIFICANT QUANTITIES ARE STILL IN PRIVATE AND ON- FARM STORAGE. FURTHERMORE, DROUGHT CONDITIONS WERE NOT AS SERIOUS IN NORTHERN PART OF COUNTRY AND RELATIVELY GOOD CROP WAS HARVESTED AS A RESULT OF LATE PLANTING. PRICE OF CORN, ALTHOUGH IT HAS SHOWN AN UPWARD TREND OVER THE PAST FEW MONTHS, HAS NOT SHOWN DRASTIC INCREASES. THE MAJOR HARVEST OF CORN SHOULD START IN SEPTEMBER, NOT IN DECEMBER AS THE CASE OF BEANS.

5. THE RICE SITUATION DOES NOT APPEAR AS SERIOUS AS BEANS AND CORN. ALTHOUGH THE 1972-73 CROP WAS SHORT (ESTIMATED AT ONLY 400,000 C. W. T.), THE CARRYOVER FROM THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TEGUCI 01876 222252 Z

PREVIOUS YEAR (SUPPLEMENTED BY IMPORTS) WAS LARGER THAN USUAL AND BNF HAS APPROXIMATELY 120,000 C. W. T. IN STORAGE - A THREE MONTH SUPPLY BASED ON THE NATIONAL CONSUMPTION LEVEL. PRIVATE MILLERS AND DEALERS ALSO ARE REPORTED TO HAVE CONSIDERABLE STOCKS.

6. LESS DATA IS AVAILABLE ON SORGHUM. THE BNF HAS NO

STOCK. PRODUCTION FOR THE 1972-73 SEASON IS ESTIMATED AT 875,000 C. W. T. (BELIEVED TO BE INFLATED). ANNUAL UTILIZATION IS ESTIMATED AT 1.04 MILLION C. W. T.

7. IN THE CASE OF LIVESTOCK (MOSTLY CATTLE FOR MEAT PRODUCTION), NO OFFICIAL ESTIMATES HAVE BEEN MADE OF DROUBHT EFFECTS. MOST IMPORTANT PRODUCTION AREA (NORTHERN HALF OF COUNTRY) WAS LESS AFFECTED, BUT EVEN THERE FORAGE PRODUCTION AND RANGE CONDITIONS HAVE BEEN SUB- NORMAL. BREEDING STOCK HAVE SUFFERED FROM LACK OF PROPER FORALF. SECONDARY EFFECTS OF POOR NUTRITION WILL UNDOUBTEDLY OCCUR OVER NEXT YEAR IN FORM OF LOWER CALVING RATES - THE FERTILITY RATE OF BREEDING STOCK IN HONDURAS IS ALREADY NOTORIOUSLY LOW (APPROXIMATELY 50 PERCENT). THIS MEANS THAT IT WILL TAKE LONGER FOR HONDURAN PRODUCERS TO INCREASE HERD SIZE SUFFICIENTLY TO SIGNIFICANTLY INCREASE PRODUCTION.

8. GOH IS CONCENTRATING EFFORTS, I. E., PRODUCTION CREDIT, EXTENSION AND RESEARCH, MARKETING, THE PROVISION OF MATERIAL INPUTS, ASSISTING FARMER CO- OPS AND ASSOCIATIONS, ETC., TO SIGNIFICANTLY INCREASE PRODUCTION OF BASIC GRAINS DURING THE 1973-74 CROP YEAR (PLANTING SHOULD START JUNE 1973). ASSISTANCE IS ALSO BEING PROVIDED FOR INCREASED LIVESTOCK PRODUCTION.

RYAN

UNCLASSIFIED
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TEGUCI01876
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730550/aaaajnz.zel
Line Count: 143
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 TEGUCIGALPA 1296
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 26 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Oct-2001 by kuehnbc0>; APPROVED <20 FEB 2002 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980225
Subject: MESSAGE NO 6 EFFECTS OF DROUGHT ON HONDURAN ECONOMY
TAGS: EAGR, HO
To: ARA
GUATEMALA
MANAGUA
SAN JOSE
SAN SALVADOR
SECSTATE WASHDC
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005